

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Behavioral Health	(2) MEETING DATE 10/18/2016	(3) CONTACT/PHONE Amy Olson, ASO II, 781-4729; Cindy Collins, ASM, 788-2932	
(4) SUBJECT Request to approve a new FY 2016-17 contract, with the option to renew for one additional year, with ExMed, Inc. not to exceed the budgeted amount of \$1,115,400 to provide locum tenens (temporary) licensed psychiatrist services. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve a new FY 2016-17 contract, with the option to renew for one additional year, with ExMed, Inc., not to exceed the budgeted amount of \$1,115,400 to provide locum tenens (temporary) licensed psychiatrist services.			
(6) FUNDING SOURCE(S) Medi-Cal; Realignment	(7) CURRENT YEAR FINANCIAL IMPACT \$1,115,400.00	(8) ANNUAL FINANCIAL IMPACT \$1,115,400.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { X } Consent { } Presentation { } Hearing (Time Est. ____) { } Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS { } Resolutions { X } Contracts { } Ordinances { } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001704		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A { } 4/5 Vote Required { X } N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { X } N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Morgan Torell			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director
Anne Robin, Behavioral Health Administrator

DATE: 10/18/2016

SUBJECT: Request to approve a new FY 2016-17 contract, with the option to renew for one additional year, with ExMed, Inc. not to exceed the budgeted amount of \$1,115,400 to provide locum tenens (temporary) licensed psychiatrist services. All Districts.

RECOMMENDATION

It is recommended that the Board approve a new FY 2016-17 contract, with the option to renew for one additional year, with ExMed, Inc., not to exceed the budgeted amount of \$1,115,400 to provide locum tenens (temporary) licensed psychiatrist services.

DISCUSSION

The Health Agency's Behavioral Health Department requests approval of a new contract with ExMed, Inc. which is a locum tenens staffing agency utilizing a nationwide pool of participating psychiatrists. Locum tenens assure proper mandated coverage and medical supervision at multiple clinic sites when permanent staff psychiatrist positions are vacant or coverage is needed due to vacations. The temporary agencies are able to provide a locum tenens psychiatrist within 60 days or less of our request.

There continues to be a nationwide shortage of psychiatrists. A number of demographic and other factors continue to make this shortage especially prevalent in San Luis Obispo County, where demands for services exceed available resources. Recruitment and retention of this limited pool of licensed staff is impacted by competition from Atascadero State Hospital (ASH) and California Men's Colony (CMC). State salaries, retention bonuses, and retirement plans often draw potential candidates to ASH and CMC. However, an increase to the salaries of staff psychiatrists in recent years has improved recruitment and we now have two staff psychiatrists (1.5 FTE) working for the County. A focused recruitment for staff psychiatrists is underway with a half-page ad in the nationwide publication "Psychiatric Times" which is the preeminent publication for the psychiatric field, and 1.0 FTE psychiatrist is expected to start employment with the County in November.

The Department has budgeted 5.0 FTE staff psychiatrists (four 1.0 FTE and two 0.50 FTE) for FY 2016-17. While psychiatrist recruitment efforts continue, there are currently 3.5 FTE permanent staff vacancies. Once the new psychiatrist begins in November, the Department will have only 2.5 FTE vacancies for permanent staff psychiatrists. Wait times can increase for clients to receive psychiatrist assessments and medication support due to the lack of psychiatrists. The contracts with the locum tenens agencies will fill the gaps for mandated coverage throughout the clinics and help ensure the provision of timely client care.

During FY 2015-16, your Board approved contracts with five locum tenens companies: Medical Doctor Associates, LLC, Jackson & Coker Locum Tenens, LLC, DrWanted.com LLC, California Locums, P.C., and Ascend Medical Staffing, LLC. These contracts were approved with the Option to Renew for two additional years; the first year of the Option to Renew was exercised by the Health Agency Director in June 2016 and each contract was renewed through June 30, 2017. A Request for Proposal (RFP) for locum tenens and telepsychiatry services was published and one viable firm, ExMed, Inc. was identified from the RFP to be capable of providing the required services. The Behavioral Health Department now wishes to contract with ExMed, Inc. The addition of ExMed, Inc. will widen the pool of locum tenens

agencies available to assist in maintaining mandated coverage and care to clients. It is important to maintain a wide pool of locum tenens agencies to assure that when the Department has a need for a psychiatrist, the appropriate one can be placed in a timely manner.

Exhibit C.4. in the contract allows for the option to renew this agreement for one one-year term. By approval of this contract, the Board is delegating authority to the Health Agency Director to determine whether to renew this contract without additional approval by your Board. Renewal of this agreement must be done in writing, approved by County Counsel, and be consistent with the change order limits specified in the County's Contracting for Services Policy.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed the contracts as to form and legal effect.

FINANCIAL CONSIDERATIONS

The contract establishes an hourly rate for contract services, which are provided on an as needed basis. The FY 2016-17 budget includes 5,720 hours of locum tenens services (approximately 2.75 FTE locum tenens psychiatrists) at a total budgeted cost of \$1,115,400 for all six locum tenens contractors. Each locum tenens contract sets a rate or rates for the types of doctors and shifts that are offered. The contracts for locum tenens contractors have no limit. Due to employing only 1.5 FTE psychiatrists throughout the year, locum tenens use was heavy and expenses for FY 2015-16 amounted to \$1,929,516 for the year. Salary savings resulting from staff psychiatrist vacancies offset the additional locum tenens expenses. The adopted budgeted amount is an estimate that is intended to cover the additional capacity not available with existing permanent staff or our contracted psychiatrists. It is, however, possible that continued vacancies in staff psychiatrist positions will result in additional locum tenens expense that exceeds the amount originally budgeted. Should this occur, the additional locum tenens expense will be offset with salary savings resulting from the corresponding staff psychiatrist vacancies. Alternately, if more vacant permanent psychiatrist positions are filled, then fewer locum tenens hours will be utilized and these expenses can be expected to fall below the budgeted amount. The County will compensate each contract provider only for actual services rendered.

By contracting with more than one locum tenens provider, the Behavioral Health Department gains the flexibility to utilize one or more providers during the year. Contracting with multiple providers means the Department is afforded more opportunities to select the best qualified candidate, who is educated and experienced in the required mental health specialty, within the timeframe the Department needs to assure mandated coverage at the site requiring coverage. While each locum tenens company may have a large base of candidates, many candidates may not be appropriate for the Department's needs depending on candidate specialty, credentials, experience, location, time frame, or other pertinent factors.

RESULTS

Psychiatric services are an integral part of all Behavioral Health programs and their outcomes. Psychiatrists provide psychiatric assessments and medication management to clients who are severely mentally ill or seriously emotionally disturbed. Psychiatrists are required to review and approve clinical documentation. Without these services, Behavioral Health cannot meet the availability and accessibility of service requirements mandated by the State.

Despite extensive recruiting efforts, the agency continues to experience a psychiatrist vacancy rate of 4.0 FTE, and extensive recruitment of psychiatrists continues. A new staff psychiatrist is due to start with the Department in November and will reduce the use of locum tenens hours for FY 2016-17. The locum tenens provided psychiatric outpatient clinic services equivalent to:

- 3.0 FTE during the period 2010-12 (5,978 average hours per fiscal year)
- 2.25 FTE (4,725 hours) during FY 2012-13
- 2.20 FTE (4,553 hours) during FY 2013-14
- 4.45 FTE (9,257 hours) during FY 2014-15
- 4.40 FTE (9,089 hours) during FY 2015-16
- 2.75 FTE (5,720 hours) during FY 2016-17 (estimated)

Any remaining shortages were covered by independent contracted psychiatrists.

Locum tenens bridge the vacancy gap in two ways: preventing clients from having to travel to the next closest clinic with a psychiatrist available on-site; and keeping the Medical Director from needing to providing coverage for psychiatrist vacancies too often and thereby unwillingly neglecting administrative duties. Not only would any sort of travel requirement for clients provide a substantial barrier to access, but the increased wait time for psychiatric assessments

and proper treatment would increase the risk of adverse outcomes for these youth at home and school, including law enforcement involvement and suicide. Locum tenens contracts assist the Behavioral Health Department in providing the necessary psychiatrist coverage to maintain appropriate levels of care. Providing the most appropriate services to these clients increases their probability of positive treatment outcomes. Furthermore, positive treatment outcomes contribute to the wider County vision of a healthy and safe community.

ATTACHMENTS

1 ExMed, Inc. FY 2016-17 Contract